

**COMMONWEALTH OF KENTUCKY  
PUBLIC PROTECTION CABINET  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
AGENCY CASE NO. 2008-AH-020**

DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

VS.

AMY OWENS

RESPONDENT

**AGREED ORDER**

**STATEMENT OF FACTS**

1. The Kentucky Department of Financial Institutions ("DFI") is responsible for regulating and registering loan originators in accordance with the provisions of KRS Chapter 286.8.

2. Ms. Owens was registered with DFI as a loan originator pursuant to KRS 286.8-255. Said registration was revoked by Final Order of the Commissioner entered on May 5, 2008. On September 22, 2008, the Commissioner's Final Order was set aside by the Franklin Circuit Court (08-CI-1106) and the case was remanded to the Department of Financial Institutions to issue a more definite Administrative Complaint outlining the violations alleged against Ms. Owens.

3. Ms. Owens was employed as a loan officer with Wilson Lending Group, LLC. On January 16, 2008, a complaint was received by DFI, and in response to the complaint, an investigation was initiated.

4. As a result of DFI's investigation, DFI alleges the following: (1) that several of the signatures in Ms. Owens' loan files were forged; (2) that Ms. Owens collected appraisal fees, but either failed to pass those fees onto the appraiser or failed to make

refunds for overpayments; (3) that Ms. Owens made misrepresentations or false statements to one borrower; (4) that Ms. Owens or her employee failed to comply with federal requirements regarding the disbursement of disclosure documents to borrowers; and (5) that Ms. Owens failed to notify DFI of having been convicted of misdemeanor crimes.

5. Ms. Owens denies all allegations of misconduct set forth by DFI.

### **STATUTORY AUTHORITY**

1. Pursuant to KRS 286.8-255(8), all mortgage loan originators shall be subject to all applicable provisions of KRS Chapter 286.8.

2. Pursuant to KRS 286.8-220(1) it is unlawful for any person to make or cause to be made, in any document filed with the commissioner any statement that is false or misleading in any material respect.

3. Pursuant to KRS 286.8-220(2)(a) and (b), it is unlawful for any regulated person, in connection with the operation of a mortgage loan business or the management or servicing of mortgage contracts, directly or indirectly, to employ a device, scheme, or artifice to defraud, or to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

4. Pursuant to KRS 286.8-090(1)(a),(b),(c),(g), (k), and (n), if the commissioner finds that a mortgage loan originator has failed to comply with the requirements of KRS Chapter 286.8, is unfit through lack of financial responsibility to conduct the business of a mortgage loan company or mortgage loan broker, does not conduct its business in accordance with law or the method of business includes or would include activities which

are illegal where performed, or has willfully violated any provision of KRS 286.8, has made any misrepresentations or false statements to, or concealed any essential or material fact from, any person in the course of acting as a mortgage loan company or mortgage loan broker or engaged in a course of business which has worked or tended to work a fraud upon any person, has been convicted of any misdemeanor of which an essential element is fraud, breach of trust, or dishonesty, or has demonstrated incompetence or untrustworthiness to act as a licensee or registrant, the commissioner may revoke the registration of the loan originator.

#### **AGREEMENT AND ORDER**

The Department of Financial Institutions and Amy Owens, in the interest of economically and efficiently resolving the alleged violations raised in the foregoing Statement of Facts, agree as follows:

1. While Ms. Owens denies all allegations of misconduct set forth herein, both parties agree that there is evidence from which the Commissioner could conclude that Ms. Owens violated certain provisions of KRS Chapter 286.8, and thus, her registration would be subject to suspension, revocation, probation, or condition pursuant to KRS 296.8-090.

2. Upon satisfaction of and agreement to the conditions set forth herein, the parties hereby agree that DFI shall issue Ms. Owens conditional registrations (each registration shall expire on an annual basis) which may be renewed through December 31, 2010.

3. The conditional registrations set forth above shall be conditioned on the following:

a. Amy Owens shall submit to and bear the cost of a Federal Bureau of Investigations background records check prior to the submission of an initial application for registration as a mortgage loan originator;

b. Amy Owens shall submit the results of the background check along with an updated and completed application to DFI, with full explanations of all misdemeanor convictions;

c. Amy Owens shall comply with all requirements for licensure and registration set forth in KRS 286.8-255 or by executive order, including timely renewing her conditional registrations as required by law;

d. Amy Owens shall devote the attention and resources necessary to ensure continual and full compliance with all statutory requirements set forth in Chapter 286.8 of the Kentucky Revised Statutes and all regulations set forth in 808 KAR Chapter 12;

e. Amy Owens shall make no false statements or misrepresentations of material fact to any applicant;

f. Amy Owens shall sufficiently supervise and monitor the conduct of any persons employed to work on her files;

g. DFI may conduct unannounced examinations of Amy Owens' loan files, including all closed, pending, and rejected applications, during the conditional licensure period, and Ms. Owens shall grant access to said files upon demand;

h. Amy Owens shall keep and ensure that all loan files originated by her are in good order, and shall keep or ensure that copies are kept of all applications, credit reports, verifications, appraisals, good faith estimates, truth-in-lending statements, servicing disclosure statements, right to appraisal statements, preliminary title opinions, sales contracts, correspondence, loan submission documents, lender stipulation sheets, FACTA disclosures, Section 32 disclosures, and affiliated business arrangement disclosures in each file;

i. Amy Owens shall ensure that a complete set of closing documents are obtained from the settlement agent for all loans closed by her and shall ensure that the HUD-1 Settlement Statement, check ledger, mortgage, note, and right-of-rescission are included within these documents;

j. Amy Owens shall ensure that preliminary documents such as the Good Faith Estimate, Truth-in-Lending Disclosure, Servicing Disclosure Statement, and Right to Appraisal Statement shall be delivered to the applicants within the time required by federal and state law, with delivery of said documents being appropriately documented within the file;

k. Amy Owens shall properly handle all fees collected from applicants and shall promptly deposit all such monies into a properly designated escrow account. Under no circumstances shall fees be deposited into a personal account, cashed, or used for any purpose other than the purpose intended by the applicant. All monies shall be properly documented and disbursed to the intended recipient. All overpayments shall be refunded promptly. A written accounting of all money

or property received by Ms. Owens shall be provided to each borrower, with a copy of such accounting maintained in each file;

l. Amy Owens shall not be convicted of any felony, or have pending against her any felony charge;

m. Amy Owens shall not be convicted of any misdemeanor of which an essential element is fraud, breach of trust, or dishonesty;

n. Amy Owens shall submit to and bear the cost of a Federal Bureau of Investigations background records check no earlier than ninety (90) days prior to the completion of the conditional registration period and shall submit the results of said records check at least thirty (30) days prior to completion of the conditional registration period;

o. Within ten (10) days of being charged, indicted, or convicted of any crime prohibited herein, Amy Owens shall notify DFI of said incidents;

p. Amy Owens shall reimburse the following:

i. \$675 to [REDACTED]

[REDACTED]

ii. \$25 each to [REDACTED]

iii. \$325 to [REDACTED]

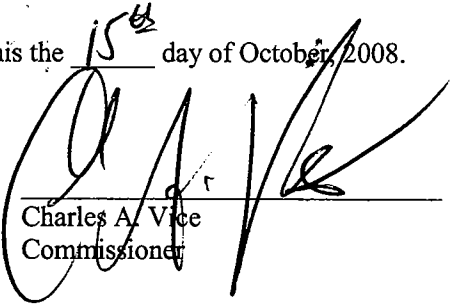
q. Amy Owens agrees to and shall be subject to a fine, and in the discretion of the Commissioner, suspension, surrender, or revocation of her registration upon entry of a final order determining that Ms. Owens has violated any of the provisions set forth in paragraphs 3(a) through 3(p) of this Agreed Order.

4. Upon expiration of the conditional registration period referenced herein, Amy Owens may apply to renew her registration without conditions pursuant to KRS 286.8-255. Upon receipt of the renewal application, DFI will re-evaluate Ms. Owens' fitness to transact business as a mortgage loan originator in Kentucky pursuant to standards set forth in KRS 286.8-090 and KRS 286.8-255. Once this review is complete, DFI shall make one of the following determinations: (1) Amy Owens may renew her registration without further conditions; (2) Amy Owens may renew her registration with further conditions; (3) Amy Owens is not eligible pursuant to KRS 286.8-090 and KRS 286.8-255 to renew her registration.

5. In regard to this present administrative matter, Amy Owens waives her right to demand a hearing, to confront and cross examine witnesses for the Department of Financial Institutions, and to present evidence on her own behalf, or to otherwise appeal or set aside this Agreed Order. Further, Amy Owens consents to and acknowledges the jurisdiction of the Department of Financial Institutions over this matter and that this Agreement is a matter of public record and may be disseminated as such.


6. This Agreed Order shall constitute the Final Order in this matter.

IT IS SO ORDERED on this the 15<sup>th</sup> day of October, 2008.

  
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Charles A. Vice  
Commissioner

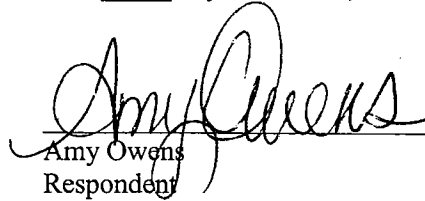
Consented to:

This 15<sup>th</sup> day of October, 2008.



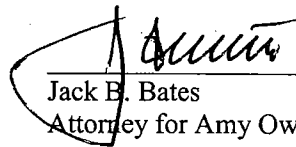
David Coyle, Director  
Division of Financial Institutions  
Department of Financial Institutions

This 14 day of October, 2008.



Amy Owens  
Respondent

This 14 day of October, 2008.



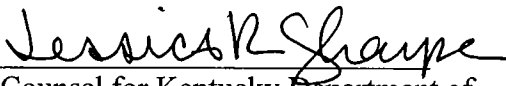
Jack B. Bates  
Attorney for Amy Owens



**CERTIFICATE OF SERVICE**

I hereby certify that a true and accurate copy of this **Agreed Order** has been served on the following on this 16<sup>th</sup> day of October, 2008:

Jack B. Bates  
Bates and Skidmore  
415 West Main Street, Suite 2  
Frankfort, Kentucky 40601  
VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED

  
Counsel for Kentucky Department of  
Financial Institutions